

Office of the Mayor Village of Sleepy Hollow

March 2014

Dear Sleepy Hollow friends and neighbors,

This is another in a series of updates on matters of importance your Village government has been addressing.

I want to personally give you a report on two complex projects that will have a profound influence on the future of our entire village: securing an adequate supply of clean water and the development of the General Motors site.

General Motors

The General Motors site has been off our tax rolls for nearly thirty years. As you can imagine this has adversely affected the Village's – and the school district's – revenues. Nearly everyone in the Village agrees that this property needs to be placed back on the tax rolls as soon as possible.

As many of you are aware, working with General Motors to resolve issues at the site has been a long, hard slog. Negotiations, tests, public hearings, lawsuits, permits, remediation efforts, and more lawsuits have been going on for well over a decade.

When I was elected Mayor five years ago, the broad outline for the site development had been established and voted on by the Board of Trustees: 1,177 residential units, a hotel, new commercial space and a significant addition to our park land along the Hudson River. GM was also in bankruptcy proceedings, placing the entire project in limbo. When GM emerged from bankruptcy I reengaged them. We had very limited negotiating room given where we were in the process, but we were able to make a few, significant changes. One of them will have a profound and long-term impact on the Village: the change in the mix of residential units from mostly rental to mostly ownership. Condominiums pay twice the real estate taxes, for both Village and school, as same-valued rental units.

The Village Board granted GM a Special Permit in 2011. That permit gave General Motors one year to identify a developer in order to keep the process moving forward. However, the clock on the one-year period would stop if a lawsuit was initiated by a third party. Enter Tarrytown, which immediately brought suit. After several failed attempts by Tarrytown to use the courts to challenge Sleepy Hollow's Special Permit – and to block the project – I reached out to Tarrytown Mayor Fixell as Tarrytown was heading toward yet another appeal. Their appeal had almost no chance of being successful but would have delayed the project for at least another year. A settlement was negotiated that cost Sleepy Hollow nothing and persuaded Tarrytown to drop its legal action. This settlement was subsequently authorized by both Village boards. After two years, the clock began ticking again in September 2013.

Early this year we learned that General Motors had reached an agreement with a developer to move forward. The developer is a partnership of Diversified Realty Advisers, a New Jersey-based, east coast real estate company and SunCal, a California-based real estate developer with a nationwide portfolio. Their final negotiations with General Motors should conclude soon. I have already had several meetings with the developer and am looking forward to working closely with

them on getting this project underway. The next step is for the developer to present its initial site plan for approval by our Planning Board. This will be a public process; to ensure that, we will televise those Planning Board meetings.

Water

Although GM has grabbed most of the headlines over the years, a more serious issue has been lurking with our water supply. Even without the development of the GM site, the Village was not storing nearly enough water in its reservoir – located in the Rockefeller State Park Preserve – to meet NY State's requirement of a 24-hour supply. We don't have anything close to that requirement now. In fact, we are usually at or below the 50% level.

Very simply, the GM site and any other development in Village – large or small – could not move forward unless this vexing issue was resolved. We had been working for the past few years to identify a site where the Village could build out a new reservoir.

It has been a pleasure to work with the community-minded Rockefeller family and the Rockefeller Brothers Fund, who identified a site on property owned by the National Historic Trust. Located off Lake Road in the Town of Mt Pleasant, the new reservoir's 1.6 million gallons, when combined with our existing 800,000 gallon reservoir, will give us the 2.4 million capacity we need. The Rockefellers are being very, very generous to the Village, as the site has been almost gifted to the Village – a 99 year lease at no charge. This solves our water capacity needs for decades to come.

Permits from Mt. Pleasant have been secured and we should be able to break ground this summer. The GM site developer is required to pay \$650,000 for its share of the costs; the Village will use long-term bonds to pay for the rest of the \$4.5 million estimated construction cost.

A note on water conservation and billing: the Village buys its water from the City of New York, which owns and maintains the delivery system, the Catskill Aqueduct. The City has been regularly raising its rates to pay for system improvements in the City. We are informed of these increases in July, after the start of our fiscal year, and usually after the City has already implemented the increase. The increases are passed on to all of us, and our rates are based on usage tiers – the biggest users pay the highest rates. This is both fair and a reason to conserve water. Residents occasionally complain of abnormally high water bills; this can be a sign of an unknown leak. If you suspect this is the case, please immediately reach out to Village Hall so that we can send someone out to inspect and help identify the cause.

Local Development Corporation

Most of the portion of the GM site located east of the Metro North tracks (the 'east parcel') will be given to the Village, as well as a much smaller piece across from Bridgeview Tavern on Beekman. As part of its cleanup plan for the entire GM site, the NYS Department of Environmental Conservation (DEC) required certain remedial measures. The east parcel contains methane gas, remnants from days when it was used as the village dump. While the required remediation measures are fairly simple and straight forward, we want to ensure that the Village is not in the chain of title. Our ongoing experience with the old Mallory site is an excellent example of what not to do. The Village agreed to take the site after it had been cleaned up in the mid-

1990s. Unfortunately, in exchange for \$600,000, the Village also agreed that any contamination from the site would be the Village's responsibility, not Mallory's (later known as Duracell, now a part of Proctor and Gamble). While that may have seemed like a good deal at the time, the State has since significantly tightened its standards; what is considered 'clean' now is one tenth of the old standard. Levels of mercury and other heavy metals lower than the old standard but much higher than the new standards were discovered on residential properties near the site.

A comprehensive and expensive cleanup of all properties near the old plant is now underway. While this cleanup is underway under the direction and funding of Gillette, the unfortunate fact is that the total cost or at least a significant portion of it may rest with the Village, under the terms of the 2003 agreement.

So, as we look forward to acquiring the east parcel, it makes sense to keep the Village out of the chain of title while still being able to use and benefit from the land. We are considering the creation of a Local Development Corporation (LDC) to do just that. An LDC would accomplish that first goal, but there are other significant benefits to an LDC. For example, an LDC could build the proposed new athletic fields and DPW building on the east parcel at a 20-25% lower cost than what it would cost us to do it directly, a substantial benefit to Village taxpayers. The LDC could also play a significant role in revitalizing the downtown. I look forward to your input on this as we discuss the issue in the weeks to come.

In closing, I know I speak for all of us when I say that this winter has been brutal. I want to give a special thanks to the Village staff who have worked tirelessly to keep up with salting and snow removal, while continuing with their regular responsibilities of garbage removal, recycling and dealing with emergencies like water main breaks. They deserve our thanks and patience.

If you have questions or issues you would like to bring to the Board's attention, I urge you to attend our regular Board meetings every other Tuesday at 7 PM at Village Hall. The schedule and agenda can be found on the newly redesigned Village's website: www.sleepyhollowny.gov
I look forward to hearing from you as we all look to Spring.

Ken Wray
Mayor
Village of Sleepy Hollow